

## Message Text

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70

ACTION EB-07

INFO OCT-01 AF-08 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 SAM-01

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 /098 W

----- 108890

R 021530Z AUG 76

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC 9205

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E.O. 11652: N/A

TAGS: ENRG, EFIN, CM

SUBJECT: GURC COMMENTS ON CIEC

REF: STATE 181094

1. ECON OFFICER MET WITH DIRECTOR INTERNATIONAL ORGANIZATIONS NKWETA ZAA FOR DISCUSSION ON CIEC. IN GENERAL, NKWETA ZAA EXPRESSED DISAPPOINTMENT WITH SENIOR OFFICIALS MEETING IN THAT THEY DID NOT MAKE ANY REAL CONTRIBUTION TO THE PROGRESS OF THE CONFERENCE. CONCERNING THE PRESENT IMPASSE OVER WORDING HE POINTED OUT THAT THE WORDING IS THE FIRST STEP IN NEGOTIATION TO OBTAIN THEIR (G-19) OBJECTIVES. THE PURPOSE OF THE CONFERENCE IS TO ESTABLISH A NEW BASIS FOR ECONOMIC RELATIONS BETWEEN THE DC'S AND THE LDC'S. CONTINUED INSISTENCE ON NEUTRAL WORDING INDICATED BASIC UNWILLINGNESS TO MOVE TOWARD RESOLUTION OF PROBLEMS. ON SUBJECT OF DEBT, NKWETA ZAA APPARENTLY WAS IN GENERAL AGREEMENT WITH US POSITION. PROTECTION OF EXPORT EARNINGS, HOWEVER, IS OF PRIMARY IMPORTANCE AND SOME MEANS MUST BE FOUND TO ACCOMPLISH THIS OBJECTIVE. WORDING OF WNK PROGRAM MUST REFLECT

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INTENT TO FIND A SOLUTION.

2. OF PARTICULAR INTEREST IN CONVERSATION WERE INTERNATIONAL RESOURCES BANK AND ILLICIT PAYMENTS/CODE OF CONDUCT. IN HIS COMMENTS NKWETA ZAA STATED THAT WHILE THE IRB WOULD ASSIST IN PROMOTING DEVELOPMENT, IT APPEARED TO BE ANOTHER MEANS OF PROTECTING THE INTERESTS OF THE MNC'S. THE BASIC QUESTION WAS WHO WOULD HAVE THE POWER IN THE IRB. AN IRB CONTROLLED BY DC'S WOULD SIMPLY BE ANOTHER

MEANS OF PRESSURING HOST COUNTRIES IN PROTECTION OF TNC INTERESTS. UNLESS US AND SUPPORTERS CAN SHOW GENUINE POWER ACCRUING TO LDC'S IN CONTROL OVER TNC'S, THE IRB PROPOSAL IS NOT LIKELY TO BE ACCEPTED. THIS IN TURN LED INTO DISCUSSION OF ILLICIT PAYMENTS AND THE CODE OF CONDUCT.

3. ADMITTEDLY NKWETA ZAA'S PARTICULAR INTEREST IS IN CONTROL OVER TNC'S. CAMEROON PRIDES ITSELF ON ITS OPENNESS TO FOREIGN INVESTMENT, LIBERAL INVESTMENT INCENTIVES AND ANTI-NATIONALIZATION POLICY. THE GOVERNMENT (GURC) IS ACUTELY AWARE OF ITS DEPENDENCE ON FOREIGN INVESTMENT AND TECHNOLOGY FOR DEVELOPMENT AND IS ACTIVELY PURSUING ITS PROGRAM OF ENCOURAGING GREATER INVESTMENT. AS A RESULT, GURC SORELY FEELS THE LACK OF MEANS OF CONTROL OVER TNC ACTIVITIES. NKWETA ZAA'S PARTICULAR COMPLAINT IS THAT THE US AND THE DC'S IN GENERAL, WHILE WISHING TO ESTABLISH LEGAL INSTRUMENTS TO PROTECT THEIR INTERESTS, ARE UNWILLING TO PROVIDE THE SAME TO THE LDC'S. FOR EXAMPLE, IF THE IRB IS TO ARBITRATE/ADJUDCIATE DISPUTES BETWEEN TNC'S AND HOST COUNTRIES, WHO WILL CONTROL THE IRB? IF THE IRB IS TO BE A GUARANTOR OF CONTRACTS, IT IS HIGHLY LIKELY THAT ONLY COUNTRIES ACCEPTABLE TO IRB WILL GET MAJOR INVESTMENT PROJECTS. WHAT IS TO PREVENT DC'S FROM USING THE IRB TO PUNISH COUNTRIES HAVING IDEOLOGICAL DISAGREEMENTS WITH LEADING DC'S? CAN LDC'S USE THE IRB TO PRESSURE TNC'S WHO ARE GUILTY OF VIOLATIONS OF CODE OF CONDUCT (LEGAL OR VOLUNTARY)? IN GENERAL, IF THE US AND OTHERS WANT IMPROVED SAFEGUARDS FOR THEIR INVESTMENTS, THEY ARE GOING TO HAVE TO SHOW RECIPROCITY LIMITED OFFICIAL USE

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CONCERNING SAFEGUARDING THE INTERESTS OF THE LDC'S.

4. IN CONCLUSION, NKWETA ZAA EXPRESSED APPRECIATION FOR WORK AND COOPERATION USDEL IN DEVELOPMENT COMMISSION. HE HAS NOW GONE TO COLOMBO AS MEMBER OF GURC DELEGATION TO NAC AND WILL ONLY RETURN BRIEFLY BEFORE NEXT CIEC SESSION. EMBASSY WOULD APPRECIATE ANY FURTHER INFO ON IRB AS IT BECOMES AVAILABLE IN ORDER TO PRESENT IT

TO HIM UPON HIS RETURN.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** LESS DEVELOPED COUNTRIES, INDUSTRIALIZED NATIONS, DIPLOMATIC DISCUSSIONS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
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**Draft Date:** 02 AUG 1976  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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